

*I Mina'trentai Siette Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
<b>172-37 (COR)</b>	Amanda L. Shelton Roy A. B. Quinata Dwayne T.D. San Nicolas William A. Parkinson Jesse A. Lujan	AN ACT TO ADD A NEW § 24117 TO ARTICLE 1 OF CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, AND TO AMEND SECTION 1 OF PUBLIC LAW 37-17, RELATIVE TO AUTHORIZING A ONE-TIME REAL PROPERTY TAX CREDIT FOR HOMES THAT WERE DEEMED UNINHABITABLE FOR A PERIOD OF NOT LESS THAN THIRTY (30) DAYS DUE TO THE DEVASTATING EFFECTS OF TYPHOON MAWAR.	9/21/23 11:15 a.m.	9/22/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 9/22/23 10/5/23			



## COMMITTEE ON RULES

Senator Chris Barnett, Chairperson  
*I Mina'trentai Siette Na Liheslaturan Guåhan*  
37<sup>th</sup> Guam Legislature

October 5, 2023

**To:** **Joaquin P. Taitague**  
Substitute Clerk of the Legislature

**From:** **Senator Chris Barnett**   
Chairperson, Committee on Rules

**Subject:** **Fiscal Note for Bill No. 172-37 (COR)**

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*Håfa Adai yan Biba Guåhan!*

Find the attached, Fiscal Note for the following bill:

**Bill No. 172-37 (COR).**

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 172-37 (COR)**

AN ACT TO ADD A NEW § 24117 TO ARTICLE 1 OF CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, AND TO AMEND SECTION 1 OF PUBLIC LAW 37-17, RELATIVE TO AUTHORIZING A ONE-TIME REAL PROPERTY TAX CREDIT FOR HOMES THAT WERE DEEMED UNINHABITABLE FOR A PERIOD OF NOT LESS THAN THIRTY (30) DAYS DUE TO THE DEVASTATING EFFECTS OF TYPHOON MAWAR.

**Department/Agency Appropriation Information**

Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Dafne Mansapit-Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$13,555,858
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund (\$433,783); Better Public Service Fund (\$1,251,802); Tax Collection Enhancement Fund (\$704,824)	\$2,389,409
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$15,945,267</b>

**Fund Source Information of Proposed Appropriation**

	General Fund:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance	\$0	\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 36-107)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Estimated Fiscal Impact of Bill**

	One Full Fiscal Year	For Remainder of FY 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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|---|-------------------------|----------------------------|---------------------------|
| 1. Does the bill contain "revenue generating" provisions?<br>If Yes, see attachment   |                         | // Yes                     | /X/ No                    |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?<br>If no, what is the additional amount required? \$ _____  | /X/ N/A                 | // Yes                     | // No                     |
| 3. Does the Bill establish a new program/agency?<br>If yes, will the program duplicate existing programs/agencies?<br>Is there a federal mandate to establish the program/agency? | /X/ N/A                 | // Yes<br>// Yes<br>// Yes | /X/ No<br>// No<br>/X/ No |
| 4. Will the enactment of this Bill require new physical facilities?   |                         | // Yes                     | /X/ No                    |
| 5. Was Fiscal Note coordinated with the affected dept/agency?<br>/X/ Requested agency comments not received by due date: DRT  | If no, indicate reason: | /X/ Yes<br>// Other        | // No                     |

Analyst: <u>Raymond Rieta, BMA III</u>	Date: <u>10/4/23</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>OCT 04 2023</u>
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Notes:  
/ See Additional Comments.

**Bureau of Budget & Management Research  
Comments on Bill No. 172-37 (COR)**

Bill No. 172-37 proposes to authorize a one-time real property tax credit for homes that were deemed uninhabitable for a period of not less than thirty (30) days due to the effects of Typhoon Mawar. The Bill outlines the application process as well as the criteria for issuance of the tax credit. As per the Bill, if an applicant is entitled to the real property tax credit, the credit would equal to One Hundred Dollars (\$100) for each month the applicant’s home was deemed uninhabitable in calendar year 2023 and shall not exceed Seven Hundred Dollars (\$700) per eligible applicant.

Absent comment from the Department of Revenue and Taxation (DRT) regarding real property tax credits or whether the passage of the Bill would fiscally impact the department’s operations, information was obtained from the American Red Cross website and as of July 23, 2023 there were more than 1,400 homes that sustained major damage or destroyed as a result of Typhoon Mawar. For the purposes of this Bill, should these 1,400 homes be deemed uninhabitable, the total estimated cost for the tax credit would fall within following range:

<b>Real Property Tax Credit (\$100/month)</b>		
<b>Estimated number of Eligible Applicants</b>	<b>Total Minimum Tax Credit (\$100)</b>	<b>Total Maximum Tax Credit (\$700)</b>
1,400	\$140,000	\$980,000

Additionally, any proposed credits to real property taxes may result in reduced revenues towards the Territorial Education Facilities Fund (TEFF). Utilizing the reported collections for the last four (4) fiscal years (FY19 – FY22), the estimated TEFF FY23 revenues is approximately \$34,638,230. Should the real property tax credit be applied as proposed in the Bill, the FY23 revenues may potentially be reduced by as much as 2.83%. See below:

<b>TEFF Collections (Past 4 Fiscal Years)</b>				
<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Average</b>
\$33,031,853	\$34,307,979	\$35,418,566	\$35,794,520	\$34,638,230
	Average	\$34,638,230		
	Bill 172-37	-\$980,000	2.83%	
		\$33,658,230		